

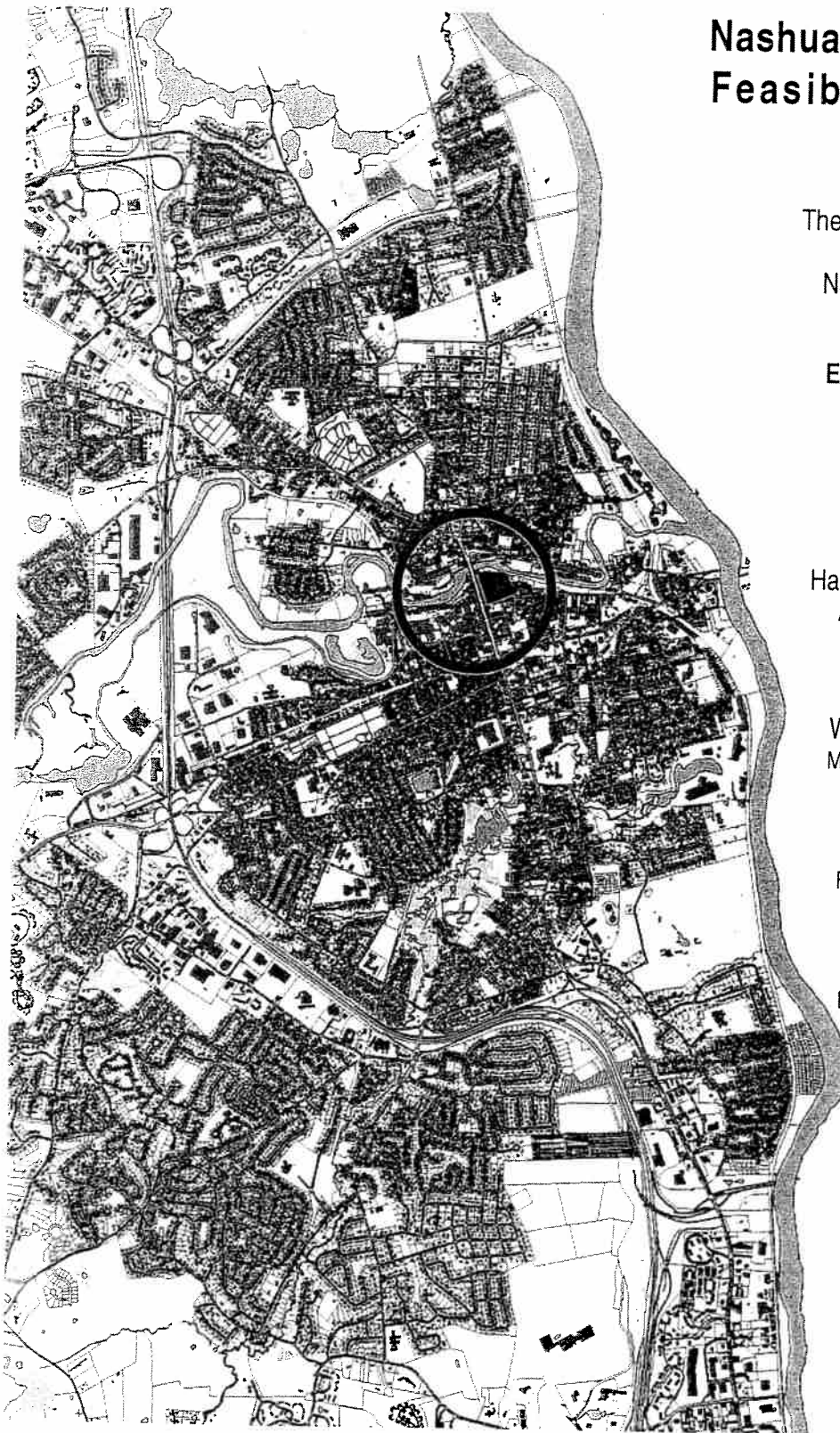
Nashua Arts Center Feasibility Study

Prepared for
The City of Nashua, NH
and the
Nashua Arts Coalition

Executive Summary Volume 1

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VOLUME 2

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FOREWORD

Purpose of the Feasibility Study

In June 2001, the City of Nashua, New Hampshire, in collaboration with the Nashua Arts Coalition, commissioned a consultant team led by Hanbury Evans Austin of Cambridge MA to explore the feasibility of new performing arts facilities in the city.

A Steering Committee comprised of City and Coalition members required the consultant team to address a wide array of issues, within a limited budget, to determine the feasibility of new performing arts facilities in Nashua. The consultant team, comprised of an architect/planner, an arts management consultant, a fundraising consultant and later an economist, responded with a scope of work to achieve a broad understanding of whether new facilities are recommended and feasible and, if so, to advise the Committee on how to proceed further.

The Consultant Team conducted six meetings with the Committee over a six-month period concluding in November 2001, when the programmatic, planning, financial and business plan recommendations were made. A final meeting was held in December 2001 to review the fund-raising assessment recommendations.

The Consultant Team wishes to thank the members of the Steering Committee and the Nashua Arts Community for their time, help and guidance in conducting this report.

Steering Committee

Bernard Streeter, Mayor, City of Nashua
Roger Hawk, City of Nashua (through 11/01)
Kathy Hersh, City of Nashua (from 11/01)
Claire Rioux, City of Nashua
Roxanne Turner, Nashua Symphony
Karen Weidner, Nashua Symphony
Betty Gimber, Nashua Symphony
Garry Henkel, Nashua Symphony
Doreen Cafarella, Northern Ballet Theater
Mel Mounts, Northern Ballet Theater
Robert Walsh, American Stage Festival
Ron Kraus, Nashua Bausch Articulating Papers, Inc.
Robert Walsh, American Stage Festival (through 8/01)
Stephen Michon*, Nashua economic consultant

Consultant Team

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* Stephen provided an economic impact assessment on a pro-bono basis to the Steering Committee

Study Participants included:

Nashua Symphony
American Stage Festival
Northern Ballet Theater
Daniel Webster College
New Hampshire Community Technical College
Rivier College

Nashua Public Schools
Nashua Chamber Orchestra
Nashua Public Library
Nashua Theater Guild
Granite Statesmen
Peacock Players

Study Questions

The Steering Committee's original questions included:

Market Need and Demand Assessment

What facilities are needed, based on the projected needs of existing performing arts organizations and other potential future users? What is the market demand for arts performances in Nashua?

Facility Program and Location

What facilities needed in Nashua are not available and where are they best located?

Projected Capital and Operating Budgets

What is the capital cost (construction and soft costs) of new facilities and what is their projected operating cost?

Organizational Potential

How would new facilities be owned and operated?

Capital Campaign Potential

What potential is there to raise the necessary funds from individuals, corporations and foundations in and around Nashua?

Economic Impact

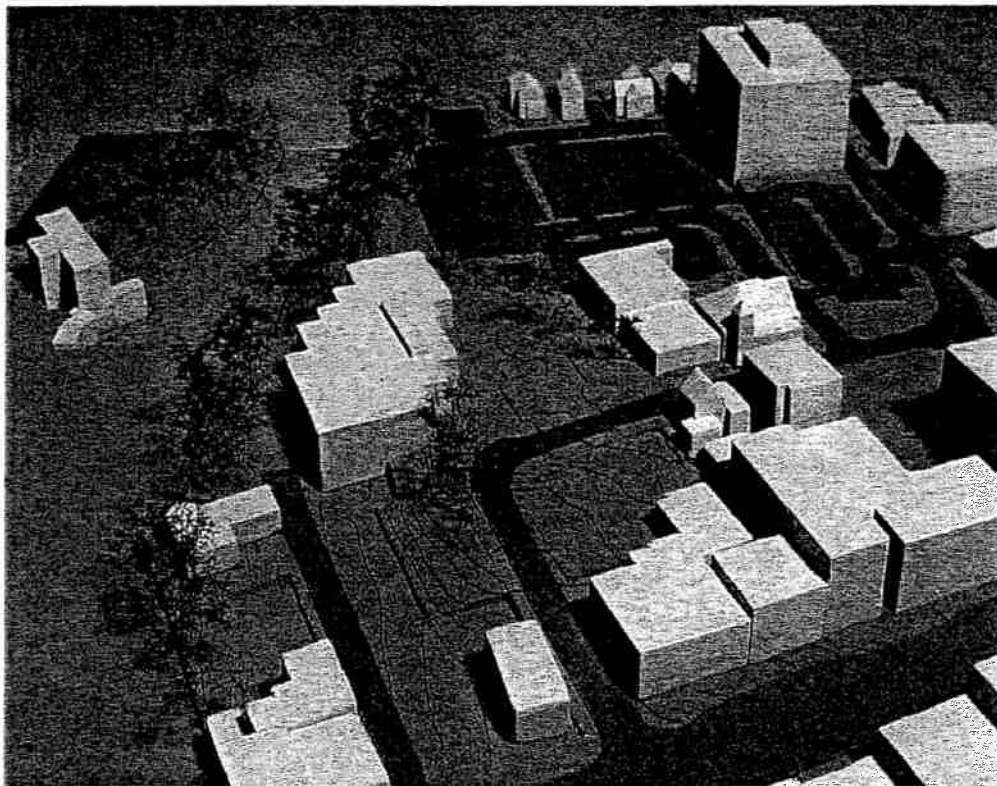
What impact would new facilities have on Nashua's economy?

Report Format

The conclusions and recommendations of this study are summarized opposite. The remainder of the report is organized in two parts to reflect the chronology of the study and, as far as possible, to respond to the original questions posed by the Steering Committee.

Part 1 covers Market Assessment and Planning Options, based on a preliminary assessment of program, location and funding feasibility. One Planning Option was preferred at the conclusion of Part 1 and was selected for more detailed study.

Part 2 is an analysis of the preferred Planning Option in terms of concept design, program, business plan, organizational structure, fundraising feasibility and economic impact.



Court Street Site as existing



Court Street Site as proposed

CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations of the study are as follows:

Nashua's performing arts groups are underserved by existing facilities within the city, in the size, quality and availability of spaces. There is a need for a large multipurpose hall for resident groups such as the Nashua Symphony and North Ballet Theater as well as large amateur and presenting groups. Nashua's resident professional theater company, the American Stage Festival, needs a small, high quality theater space. And there is also a need for multipurpose rooms for individual and small group performances for a variety of amateur organizations.

Demographically, households within a twenty-five mile radius of Nashua have a high propensity to attend live theater, classical music, dance and popular music compared to national and regional averages. The market demand conclusions for the type of performance facilities proposed is positive.

Downtown is the best location in the Nashua for new performing arts facilities in terms of the potential for funding, economic impact and an overall sense of improving the city's civic identity.

Of the sites studied to date downtown, a development that includes reconfiguration and expansion of 14 Court Street, the old 'Arts and Science Center', appears to have the greatest potential. 14 Court Street can readily accommodate some spaces that would otherwise require building new at greater expense. Redevelopment of this area could integrate the Public Library and engage the river with memorable outdoor performance and park spaces.

Redevelopment of Court Street is estimated to cost a total of \$30 million, plus or minus 10%. The program would include a new 1,000 seat multipurpose theater, a 300 seat flexible theater and a 100 seat multi-purpose room, a space for a small gallery and museum, and all the necessary lobby and backstage facilities. This cost does not include infrastructure improvements required in the vicinity, including construction of a 500 car parking deck, estimated to cost \$5-6 million.

Using the proposed program, a business plan prepared in 2001 dollars, projects revenues in the second year of operation of \$750,000 and expenses of \$1,250,000, leaving a deficit or annual funding requirement of approximately \$500,000. This 60% ratio of earned revenue / operating expenses is consistent with other comparable civic facilities. The Capitol Center for the Arts in Concord is 71% and the Palace Theater in Manchester is 67%. Annual funding of this deficit could be comprised of City funding (\$200,000), fund-raising (\$150,000) and income (\$150,000) from a \$3,000,000 endowment.

The proposed capital cost of \$30,000,000 is considered at the top end of the fundable range based on early conversations to test the fund-raising pulse in Nashua. The concept has broad support and advocacy amongst Nashua's donor community, but all caution that \$30 million would be a challenge. Many good suggestions were made to advance the fund-raising support for this project, particularly in terms of leadership and the need to engage private, corporate, state and federal partners. A viable business plan is a key component for support of the project. The potential to raise capital funds would be enhanced considerably if future funding for the endowment was committed early on in a capital campaign.

Vital next steps in the development of this recommendation include completing funding feasibility to confirm a realistic target for a capital campaign, and evaluating the proposed Court Street concept in more detail. Subsequent fund-raising, design and construction could take 3 to 5 years.

PART ONE: MARKET ASSESSMENT AND PLANNING OPTIONS

Need and Demand

Facilities Needs

Market Demand

Facility Program and Location Options

Existing Facilities in Nashua

Unmet Program Needs

Program and Location Options

Evaluation Criteria

Evaluation of Options

Preferred Location - Court Street

NEED AND DEMAND

Facilities Needs

Fourteen performing arts groups and civic organizations were interviewed for this study to determine what facilities are needed, based on the projected needs of existing organizations and other potential future users. The three leading performing arts organizations are the Nashua Symphony, the American Stage Festival and the Northern Ballet Theater.

Nashua Symphony

Founded in 1923, the Nashua Symphony is the oldest and largest organization with an annual program of 12 concerts. The Symphony, which relies on regional performers, has a subscriber base of 500 with annual attendance of 15,000. The Symphony's main venue is the O'Keefe Auditorium at Elm Street Junior High School (capacity 1500). In the 2000/2001 season, the Symphony has twice played to full capacity. Based on its current operating model, the Symphony would like a venue with a 1200 – 1500 seats.

American Stage Festival

The American Stage Festival came to Nashua in 1994 having started in 1971 as a summer company twenty miles west in Milford, NH. The Festival has been in precarious shape financially and organizationally, but its outlook has improved in 1999 – 2001 with significant debt reduction achieved by operational profit.

The Festival decided in 2001 to sell its Milford property and commit wholly to Nashua. In 2000, the Festival had a total audience of 21,000 and a strong, established children's theater program. The Festival is resident at 14 Court Street downtown, in the former Arts and Sciences Building. Its main performance venue is an adapted open span space (capacity 280) with inadequate backstage and seating. The Festival would like a slightly larger venue of around 300 capacity with a flexible stage, and occasional access to a larger space.

Northern Ballet Theater

The Northern Ballet Theater is a professional ballet company, connected to a commercial dance school. Founded in 1996, the Ballet audience total in 2001 was approximately 10,000. Mainly a touring company at present, the Ballet's Nashua venue is O'Keefe auditorium. The Ballet would like a venue with 500 seats for repertory shows and 1000 for story ballets.

Other large users – above 500 seats

Community Concert Association

Other small users – below 500 seats

Community Theater Association, Actor Singers, Nashua Chamber Orchestra, Cary and Henderson Vocal Studios, Kathy Blake Dance Studios, The Dancers Loft, Granite Statesmen.

Other users:

Nashua Historical Society, Nashua Area Artists Association



Facility Needs Conclusions

Three types of performance venues are needed, based on projected needs of existing performing arts organizations:

A large multipurpose theater for music, dance and theater, with a capacity of at least 1000 seats and ideally up to 1500 seats, as desired by some organizations including the Nashua Symphony and the Northern Ballet Theater. The capacity need will be tempered by cost, as well as the need for this space to be flexible enough to accommodate smaller audiences (500- 600) without the space overwhelming. A proscenium-type space with one or two full balconies is recommended. This theater would also be an appropriate venue for smaller presenting organizations, convocation or other civic gatherings.

A small theater primarily for a small resident professional repertory theater company. A flexible stage / seating space is recommended with a capacity of 300 – 500 seats. The smaller size may be ideal; it is the maximum size allowed for members of the League of Repertory Theaters (LORT), a nonunion organization.

A multipurpose room and classroom space. The multipurpose room would be large enough to accommodate 100 people for individual and small group performances. A classroom space to accommodate 30 people would serve an education programs.

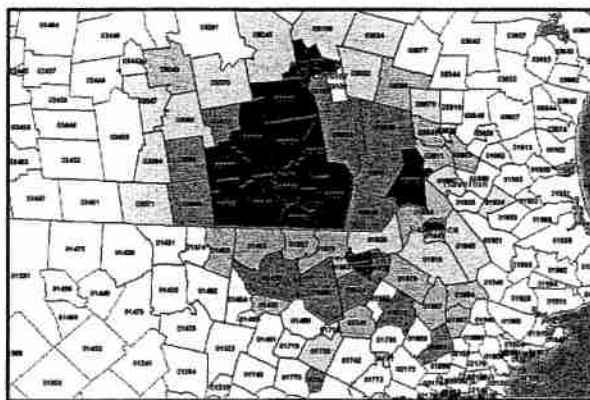
An outdoor performance space would be a desirable addition to these indoor spaces, though one somewhat smaller than the Greeley Park outdoor amphitheater, northeast of downtown, which seats about 2000.

There is also a need for a small gallery and museum space in downtown Nashua that could be an appropriate fit with the proposed performing arts facilities. The museum space could be associated with the city's historical society.



Nashua is the second largest city in New Hampshire (after Manchester) and is rapidly evolving from a 19th century mill town, small by comparison to neighboring Manchester and Lowell, to a burgeoning bedroom community linked to Boston via Route 3, and now to a more stand-alone city with a diverse economy including manufacturing, service and high technology. Money Magazine has ranked Nashua as one of the best places to live in the nation. However, the city ranked poorly with its peers in performing arts culture and venues. The perception that this deficiency is a negative aspect of the city's image and ability to recruit new businesses was widely held by a broad base of people interviewed in this study.

A New Hampshire statewide arts survey in 2000 found the Nashua/Salem market had the lowest mean attendance of the market areas studied. Common barriers to attendance include 'too busy,' 'unaware,' 'not enough in the area' and 'too expensive.' A similar national survey, undertaken every five years since 1980 by the NEA, shows arts participation is growing and that attendance rates for arts activities in the Boston, Worcester, Lawrence area for Classical Music, Theater and ballet are 25% or more above the national average.



Nashua Symphony: 39% in Nashua, 88% in 25 miles

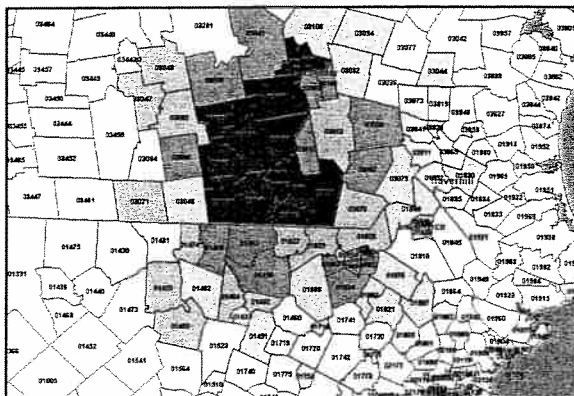
Demographics

Demographically, Nashua is growing at a faster rate than its neighbors, according to data purchased from Claritas/National Decision Systems. Much of the growth has been in the 18-34 year old bracket; education and compensation levels are high. A PRIZM analysis, which shows clusters of households most likely to attend arts events (also by Claritas), indicates residents within a 25-mile radius of Nashua show a strong propensity to attend live theater, classical music, dance and RPC&WT (Rock, Pop Country and Western Theater). The geographic distribution of these clusters is consistent with the subscriber base of the Nashua Symphony, the American Stage Festival and other Nashua organizations. An interesting characteristic of each of these organizations subscriber bases is the sharp divide at the state line; the highest concentrations of subscribers are north, east and west of the Nashua.

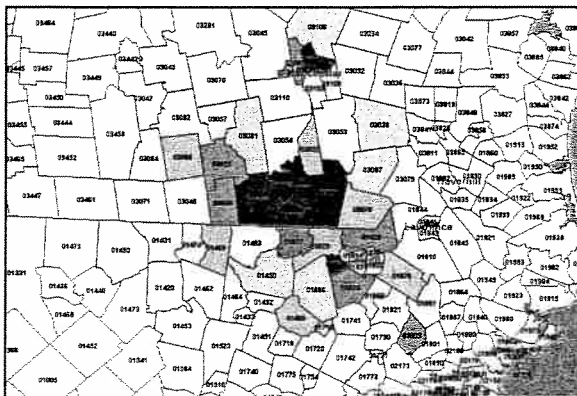
Market Demand Conclusions

Market demand conclusions are positive and appear likely to support the type of performance facilities concluding from the needs assessment. Within a 25-mile radius market area there is a large market of households (70-83% depending on discipline) with an interest in the arts and entertainment program. Nashua is a growth leader within this radius and its growing younger population presents a strong opportunity to develop audiences.

A large part of Nashua's appeal in the 1980's and 90's was a combination of its metropolitan Boston proximity, combined with the state's tax status. As the city evolves from a commuter community to a more independent city, it seems inevitable that both residents and business leaders will demand facilities such as for performing arts for entertainment and as a symbol of civic pride and vitality.



Nashua Symphony: 39% in Nashua, 88% in 25 miles



Actorsingers: 58% in Nashua, 99% in 25 miles

Discipline	Live Theater	Classical Music	Dance Profile	RPC&WT
2001				
Greater than Average Propensity to Attend	406,091	375,369	386,219	444,936
% Greater than Average Propensity to Attend	76%	70%	72%	83%
HH that will attend at least once in 12 months	86,838	139,312	41,425	114,994
Percentage of Total Market	16%	26%	8%	22%

PRIZM Results for Nashua

FACILITY PROGRAM AND LOCATION OPTIONS

Existing Facilities in Nashua

Nashua currently has six indoor venues including the two new high school facilities, which will be complete in 2002.

O'Keefe Auditorium (Elm Street)

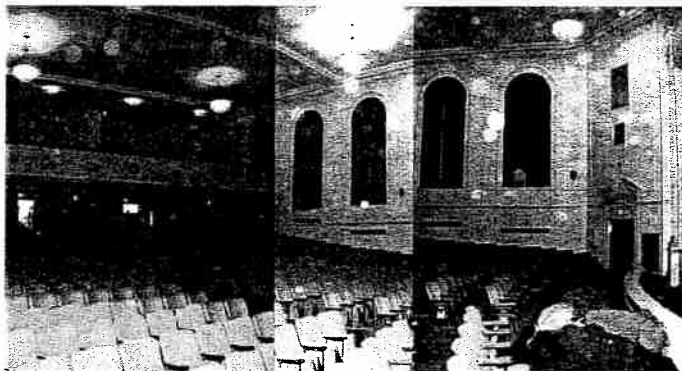
The oldest is O'Keefe Auditorium built in 1936, which is part of Elm Street Junior High School. A rather imposing building, with a classical front, O'Keefe seats 1500, in an rectangular auditorium with one large balcony. Acoustics are moderately good but front and back stage facilities are poor to non-existent. O'Keefe is the largest public auditorium in southern New Hampshire; only the Lowell Auditorium, which seats 2000, is larger in the region. The Nashua Symphony, Northern Ballet Theater and Nashua Community Concert Association are among the large audience answers of O'Keefe but scheduling of the space, which is first and foremost a school facility, with a wide range of uses, is especially difficult and occasionally unpredictable.

Court Street

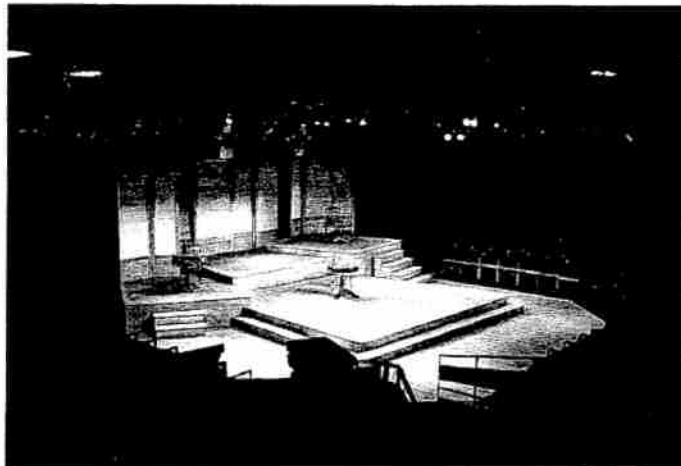
14 Court Street is a city owned facility located downtown next to the public library. A former firehouse that was expanded in the 1970's to house an arts and science center, Court Street is now the home of the American Stage Festival which moved there in 1994, and also the Nashua Symphony, which has offices on the lower level. The main theater space, which seats 280, is makeshift, with no backstage or fly space. Performer access is through the public lobby. There is a small community theater, which seats about 100 downstairs. Though Court Street performance spaces are poor, they are after all reconfigurations of another use; the building itself has many good attributes, high ceilings and abundant support space.

City Library

The City Library has a very pleasant 100 seat theater space on its lower level, which is well used for performances and meetings.



O'Keefe Auditorium



Court Street Theater

Nashua High Schools: North and South

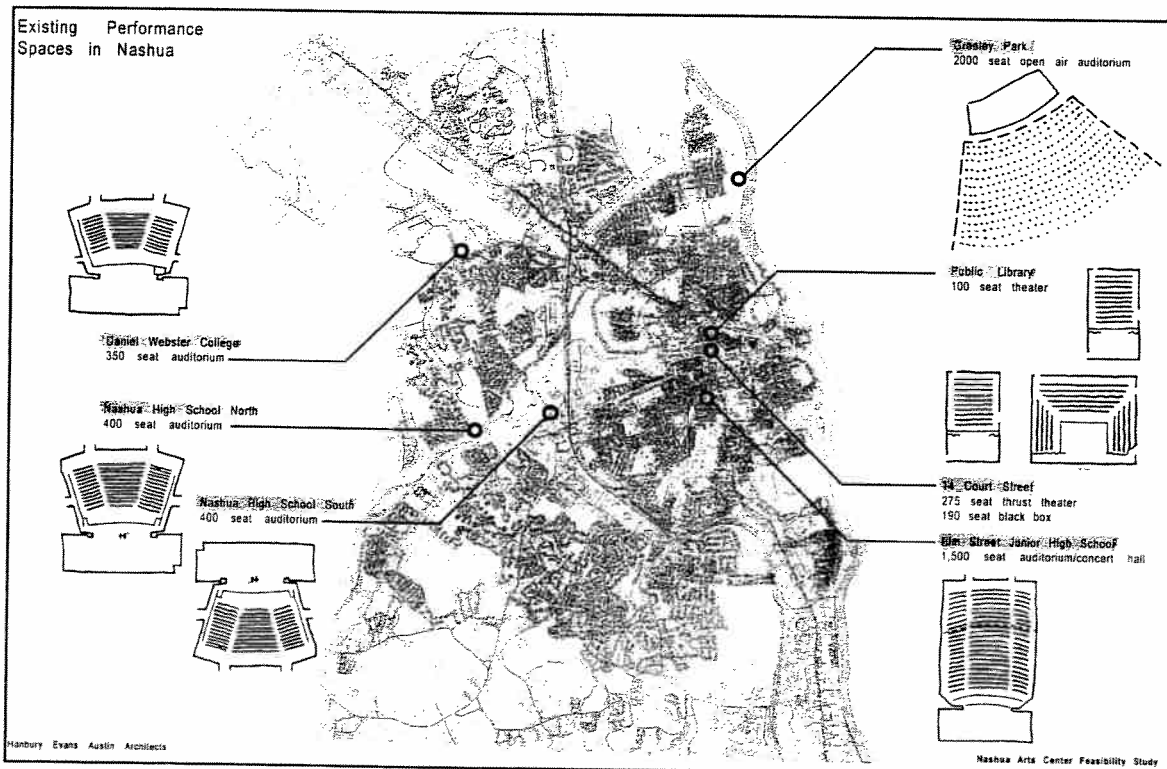
When construction is completed in 2002, Nashua's two high schools will each have new performing arts facilities that have identical programs: 700 seat auditoriums with good backstage facilities that are part of each school's music and dance programs. Front of house facilities are effectively part of each school's general circulation.

Daniel Webster College

A new auditorium, the Eaton Richmond Center, was opened in 1999 with 350 seats, with future balcony expansion up to 550. The auditorium has a shallow proscenium stage with no fly space and is designed to serve lectures and other large speaking events, primarily for the college.

Existing Venues Conclusions

Though the range of public theater capacities is wide – 100 each (Court Street and Library), 280 (Court Street), 700 each (North and South High Schools) and 1500 (O'Keefe / Elm Street) – access to performance venues, including necessary rehearsal time, is limited for arts organizations. The scheduling conflicts experienced at Elm Street are inherent, as is likely to be the case with the new High School facilities. And at Court Street, the larger 280-seat theater is used largely by the American Stage Festival for professional theater and education programs. With the exception of the community theater and rehearsal spaces at Court Street, there are no other publicly available rehearsal and support facilities in the city.



Unmet Program Needs

The feasibility study compared the conclusions regarding new facilities (supportable by the anticipated level of market demand) with Nashua's existing venues, to determine what new facilities are required, either by new construction or renovation. For example, the need for a large multipurpose theater with 1000 seats could be met with new construction, or by renovating O'Keefe which already has 1500 seats. The need for a smaller theater, with 300 -500 seats, multi-purpose room and classrooms could be met with new construction, or by reconfiguring Court Street.

A preliminary conclusion was that the program goals be achieved in three increments over time:

1. O'Keefe auditorium could continue to serve the large venue users, provided it was expanded to provide good front and back stage facilities, and that a more effective management partnership with the City Schools was developed.
2. Court Street could be reconfigured and expanded to provide a two theater venue for medium and small size users.
3. A new purpose-built concert hall would be the ultimate long term goal, as organizations grew and strengthened, and an operating partner with a parallel music program was found, such as one of the colleges in the city.

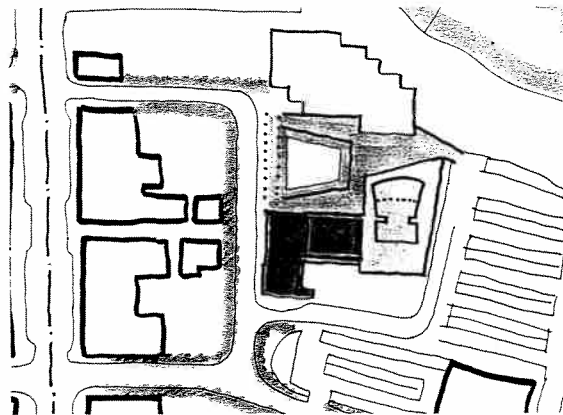
This incremental approach had drawbacks and was generally disliked mainly because O'Keefe's potential was limited, physically and operationally. In the discussions that followed a wide array of other programs and location options were considered as a comparison, along with their capital costs and funding potential.

Program and Location Options

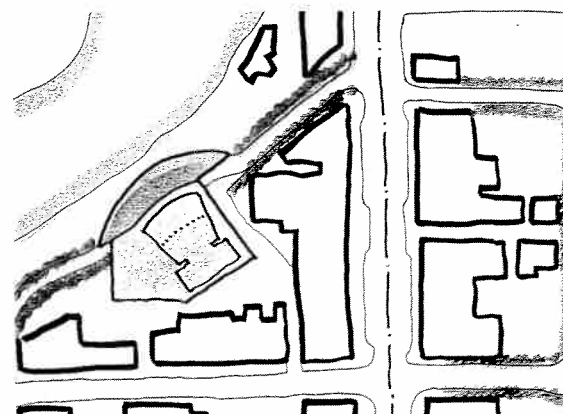
Four locations were considered, each with program options appropriate to the site, which are summarized in table form opposite. Refer to Section 2 in the Appendix for a more detailed version of the table.



Option 1A: Elm Street



Options 2A, B, C: Court Street



Option 3: Water Street

Location	Program	Project Costs	Assessment
ELM STREET	Option 1A: Add new lobby and backstage facilities to O'Keefe – 1500 seats	\$6-8m plus \$500K surface parking	Good workhorse for continued growth of performing arts base; serves only large users; parking problematic; funding viability questionable
	Option 1B: Same as 1A, plus add new 200-seat black box theater	\$10-14m plus \$500K surface parking	Site conditions limit expansion for performing arts; studio theater only possible with loss of school space; otherwise same as Option 1A
COURT STREET	Option 2A: Reconfigure existing Court Street and add new 500 seat proscenium theater	\$20-23m plus \$2.5m structured parking	Serves professional theater and smaller arts groups only, therefore funding potential doubtful
	Option 2B: Renovate / reconfigure existing Court Street and add new 1000-1200 seat multi-purpose theater	\$28 – 33m plus \$5.8m structured parking	Serves large medium and small arts groups well but not perfectly; at the upper limit of potential fundability
	Option 2C: Renovate / reconfigure existing Court Street, add new 500 seat proscenium theater and add new 1000-1200 seat multi-purpose theater	\$39-47m	Serves all interests best but is beyond the limit of potential fundability
WATER STREET (DOWNTOWN ON RIVER)	Option 3: Build new 1000-1200 seat concert hall	\$26-31m plus \$4.9m structured parking plus unknown infrastructure costs	Most visible signature location in the city but has significant cost premium; serves large users only, therefore splits fundraising base
COLLEGE LOCATION	Option 4A: Build new 1000-1200 seat concert hall	\$23-28m parking costs vary	Dependent on college partnership to be operationally viable; does not serve professional theater and smaller groups
	Option 4B: Build new 1000-1200 seat concert hall, new 500 seat proscenium theater and new 200 seat studio theater	\$42-50m parking costs vary	Dependent on college partnership to be operationally viable; serves all interests best but is beyond the limit of potential fundability

Evaluation Criteria

Consideration of the planning options was also informed by the following criteria that emerged during this point in the study:

Fund-raising: Some common themes were expressed in the course of preliminary conversations about the idea of a performing arts center in Nashua:

- A performing arts center should be more than an arts facility; it should be a civic asset that rallies individual and corporate donors
- There is no perfect site
- The fund-raising base should not be split – raise funds for one project / location only
- A downtown location is preferred

Economic Impact: The location of new performing arts facilities has little effect on economic impact overall; however, a downtown location would benefit local businesses more.

Partnerships: Successful performing arts centers are invariably busy ones with multiple users and at least 100 performing days a year, preferably closer to 200. Performing arts centers are rarely profitable and most require an annual operating subsidy. Facilities should therefore be useful to as many arts organizations and other potential users as possible to maximize utilization. Partnerships are important, within the arts community, with the city or with local colleges and businesses, and preferably a combination of all.

Flexible performance spaces: Performance spaces designed to have tremendous flexibility – for instance a 1500 seat theater that is divisible into two or three smaller theaters – do not work well and always cost significantly more than comparable 'single use' spaces. Performance spaces are most cost effective and work best for a certain general use and capacity, though some flexibility in use and perceived occupancy can be made, through the use of balconies, and flexible stage/seating arrangements

Evaluation of Site Options

Though other potential sites in the city were considered, the evaluation of options by both the Steering Committee and the Consultant team focused mainly on Elm Street and Court Street, the two existing performance locations in the city.

College Locations

Both Rivier College and the New Hampshire Community Technical College have potential sites on their campuses but the absence of established performing arts programs at either college makes the near term likelihood of an effective partnership remote. In addition, neither college site fits the emerging criteria of a downtown location for new civic facilities.

Elm Street

The Elm Street Option 1A was debated widely. It has some appeal because it is the least expensive option (\$6-8m plus \$500k parking), and provides the preferred seating capacity of at least three larger users (Symphony, Ballet and Community Concerts). The School Department appears willing to consider a more autonomous management structure for O'Keefe that may ensure more access by arts organizations; however, Elm Street has some significant drawbacks too. There are parking and vehicular access problems in the surrounding tight residential neighborhood; there is a genuine concern that in the end O'Keefe would remain primarily a school facility and there is a sense that raising private funds for a public school facility would be difficult, especially on the heels of the recent \$145m school construction program.

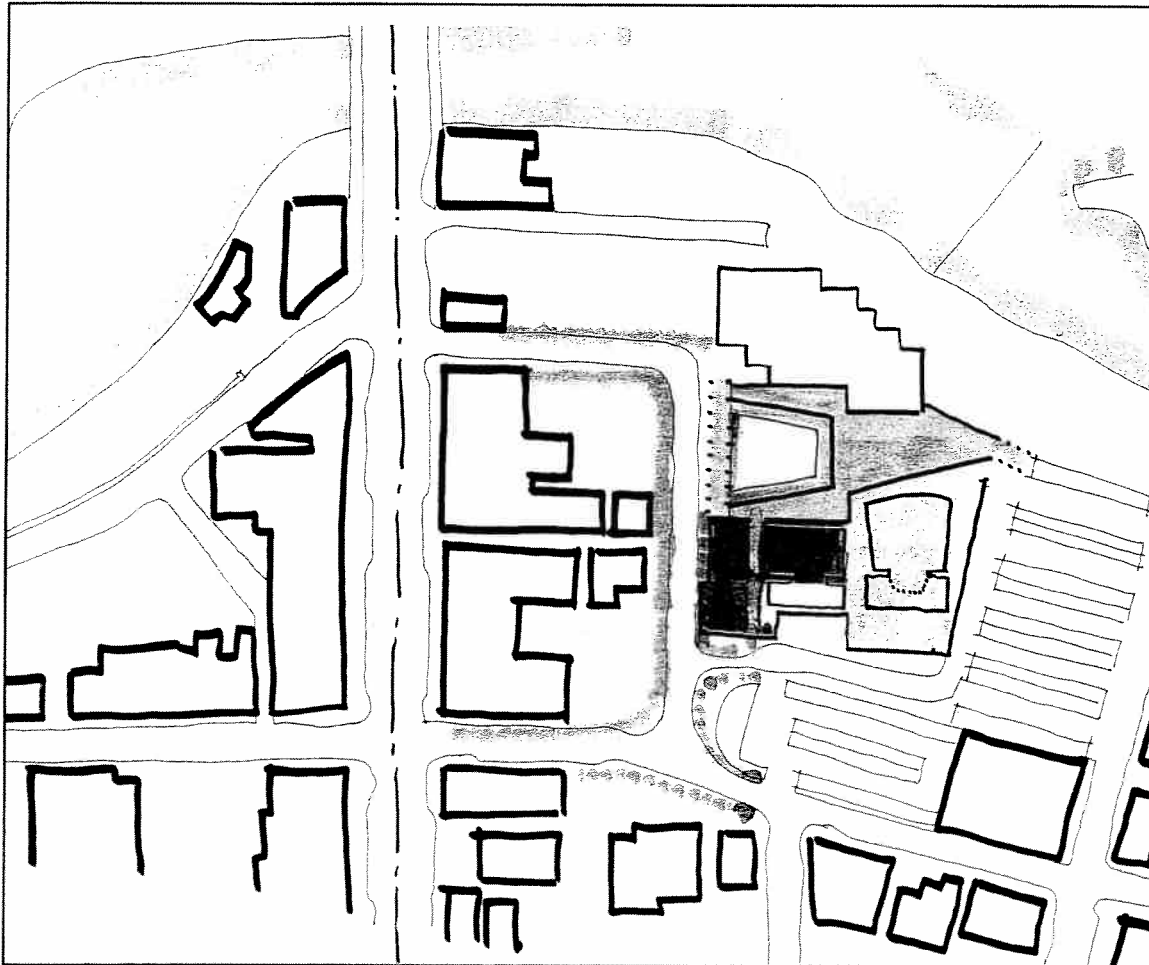
Downtown Locations

Several downtown locations were considered, including Court Street, Water Street and High Street. A site on High Street was considered in a previous study and has the advantage of being between two existing public garages; however, the site is relatively narrow and has a back street location. A site that would require closing and dismantling Water Street is probably the most visible 'signature' location in the downtown, with an address on Main Street and a view west up the Nashua River.

Both Water Street and High Street would require all new construction, which is outside the range of probable funding. A new large multi-purpose theater or concert hall alone would not be busy enough if built in either location; new medium and small size facilities would be busy, but Court Street already provides many of those facilities, though they require reconfiguration and renovation.

Court Street (preferred location)

At the conclusion of Part 1 of the feasibility study, Court Street was considered the location with the best potential for development of small, medium and large venues to provide for the city's future performing arts needs. The Committee voted, though not unanimously, to proceed with Part 2 of the study to test the concept in more detail.



Court Street: preferred location

PART TWO: ANALYSIS OF PREFERRED PLANNING OPTION - COURT STREET

Summary of Process

Physical Plan

Space program

14 Court Street - Evaluation of Existing Spaces

Court Street - Expansion Diagram

Court Street - Concept Design

Construction and Project Costs

Court Street - Vicinity Plan

Business Plan

Governance

Friends Group

Staffing

Pro-forma Operating Budget

Operating Goals and Challenges

Fundraising Assessment

Economic Impact

Comparable Projects

Summary of Process

The second part of the feasibility study was undertaken in four steps.

Physical Planning

The Court Street site was tested to see how a large theater could be accommodated, and how the existing building could be modified, to create a unified facility that could be integrated with the library and with the nearby Nashua River. A physical model was created of the site and its environs, over to Main Street. In addition to showing how the new facilities might fit, other development opportunities to help revitalize this area of the city were explored. From these accommodation studies the budget for capital construction and project costs was revised.

Business planning

First, the program assumptions were tested in a scheduling 'charrette' involving prospective users of new facilities. Working with two blank year calendars, one for the proposed 1000 seat multipurpose hall and another for the proposed 300 seat theater, performing arts groups ('resident' organizations and occasional renters) devised a use schedule based on their existing or proposed business plans. The exercise showed that the large and small halls would be busy with a range of programs and both performance days and rehearsal. From the scheduling charrette a business plan was developed consisting of recommendations for ownership and management of the facility, governance and a proforma operating budget once the new facility was up and running in it's second year of operation.

Fundraising Assessment

Several confidential interviews were held with private individuals and corporate leaders to test the idea, using the proposed program, business plan and physical planning models. Interviewees were asked if the concept and location was the right idea. What support would the concept likely get, from the community and those who might help fund it? Was the projected capital cost of \$30 million and a \$3 million endowment to help cover operating costs a realistic goal? And who would lead this project?

Economic Impact

The economic impact of construction, operation and ancillary spending was analyzed, based on the construction cost estimate and the business proforma.

Conclusions

The recommendations on the pages which follow were developed to reenergize Court Street with new and expanded facilities into a civic performing arts center for the City of Nashua. Recommendations have also been made for next steps towards a detailed feasibility plan.

PHYSICAL PLANNING

Program of Spaces

The basic program components of the recommended facilities at Court Street include:

- **multi-purpose hall – 22,420 nsf***
 - resident users: Nashua Symphony, Northern Ballet
 - capacity: approximately 1000 seats, 2 balconies
 - function: music, theater, film, presenting, lecture
 - configuration: proscenium stage with orchestra pit, full fly tower
- **flexible theater – 9,350 nsf**
 - resident user: American Stage Festival
 - capacity: 299 seats, flexible
 - function: theater
 - configuration: flexible stage, fly tower
- **community theater – 2,800 nsf**
 - resident user: none
 - capacity: approximately 100
 - function: small theater, film, lecture, rehearsal
 - configuration: flexible, flat floor
- **front of house facilities – 18,370 nsf**
 - lobby
 - reception lounge for 60-100 people
 - concessions
 - restrooms
 - box office etc.
 - administrative office
- **back of house facilities – 8,795nsf**
 - rehearsal
 - scene, paint shops
 - prop and costume storage
- **other spaces – 3,000sf**
 - temporary gallery
 - permanent exhibit / museum space

The areas above are net square feet, not including mechanical, circulation, building structure or wall thicknesses. Typically for a building of this type these additional areas add approximately 50% to the total area. Using this factor, the overall size of the recommended program would therefore be 97,000 gross square feet.

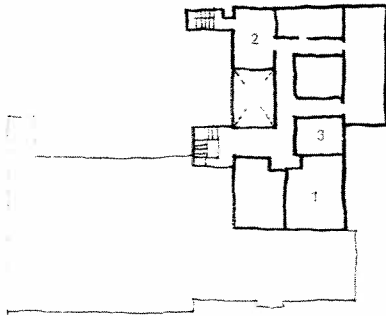
14 Court Street – evaluation of existing spaces

The key question is whether the existing spaces at Court Street can be reconfigured and renovated so as to help meet the program requirements (space, heights, loads and adjacencies) in a manner that is more economical than building new. Based on the preliminary analysis afforded by the scope of this study, the existing 32,700 sf structure appears to be a valuable asset in the development of the proposed program. The building has some high ceilings and plenty of spaces that could be used for some front-of-house and back of house functions that would otherwise need to be built anew, at greater expense, as described below in construction costs. This preliminary assessment needs to be tested in more detail, including thorough evaluation of the existing structure.

Court Street: Existing Plans

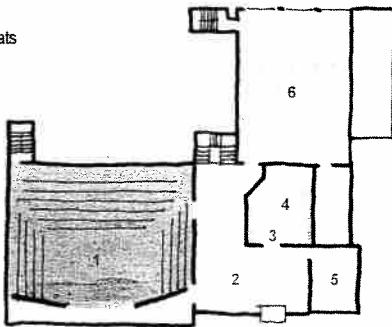
Upper Level

- 1 Classroom
- 2 Costumes
- 3 Dressing Rooms



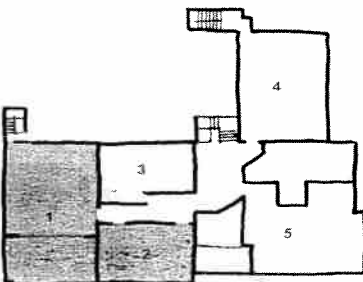
Entry Level

- 1 ASF Theater 280 seats
- 2 Lobby
- 3 Box Office
- 4 ASF offices
- 5 Conference Room
- 6 Scene Shop



Basement Level

- 1 Community Theater
- 2 Dance Studio
- 3 Symphony Offices
- 4 Costume Storage
- 5 Costume Storage

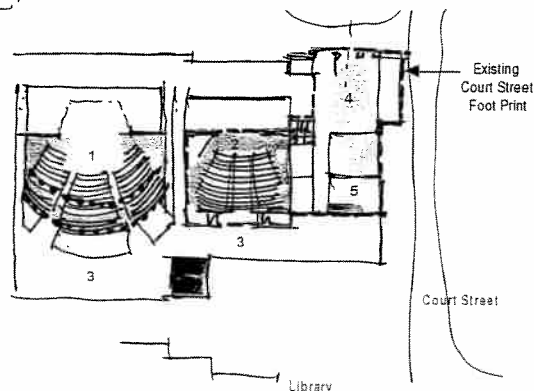


Expansion Diagram

The proposed expansion diagram is to add the new 1000 seat multipurpose hall to the east of the existing building, occupying a small parking lot now owned by the Indian Head Bank building. The existing Court Street Theater would be reconfigured by turning the seating around, raising the roof, and adding a stage area to the north. Both theaters would then be entered from a shared lobby that faces north towards the library, and also share back stage facilities to the south. The existing Court Street firehouse would be reconfigured to provide box office, gallery/ museum and teaching spaces on the first floor.

Court Street: Expansion Concept Diagram

- 1 New 1000 seat multipurpose theater
- 2 300 seat flexible theater - existing theater expanded and reconfigured
- 3 New Lobby
- 4 Gallery / Exhibit / Museum Space
- 5 Box Office / Reception

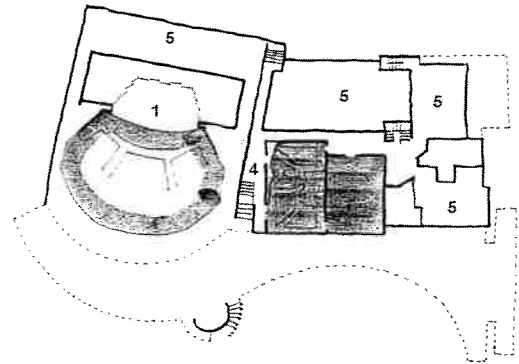


Court Street Concept Design

The concept design develops the expansion diagram to show, at a conceptual level, how the building could work internally and in relation to the surrounding roads and open spaces.

Basement Level

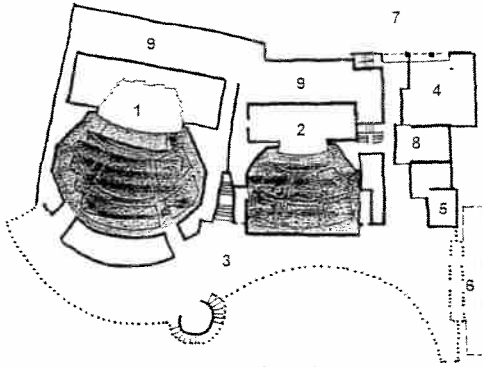
- 1 1000 seat Multi-Purpose Hall - new
- 2 100 seat Community Theater - existing reconfigured
- 3 Rehearsal Space
- 4 Lobby
- 5 Back Stage Facilities



Court Street site - as existing

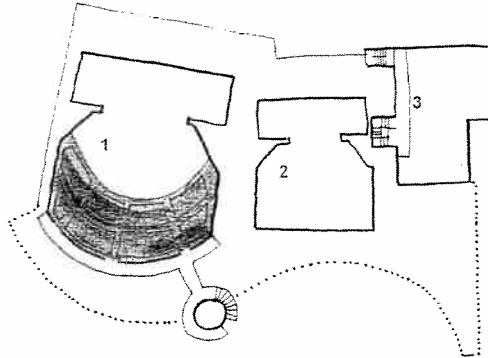
Entry Level

- 1 1000 seat Multi-Purpose Hall - new
- 2 299 seat Flexible Theater - existing reconfigured and expanded
- 3 Lobby - New
- 4 Gallery / Exhibit / Museum Space
- 5 Box Office / Reception
- 6 Court Street Entry and Drop-off
- 7 Tower Square Entry - Gallery / Museum
- 8 Classroom
- 9 Back Stage Facilities



Balcony Level

- 1 1000 seat Multi-Purpose Hall - new
- 2 299 seat Flexible Theater - existing reconfigured and expanded
- 3 Administrative Offices



Court Street site - as proposed

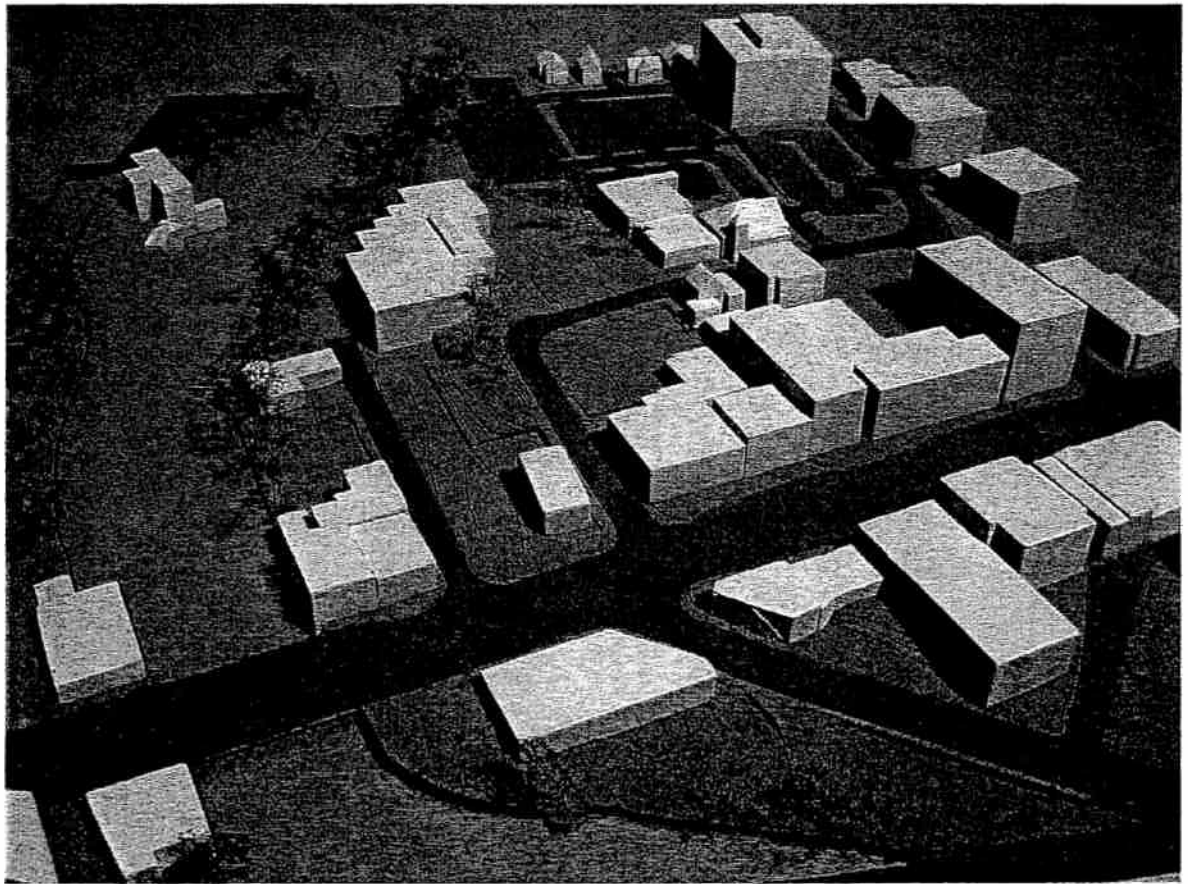
Construction and Project Costs

At this stage construction costs can only be determined on an area or square foot basis, using unit costs from comparable facilities.

For new construction, a unit cost of \$325 per square foot has been used. This is in the middle of the potential range for a furnished and equipped facility. A unit cost of \$250/sf would be for a fairly bland building with modest public spaces and finishes. At the other end of the range, unit costs of \$400-500/sf plus are common where there is a high level of design and finishes in the public and performance spaces.

For renovated/reconfigured construction, a unit cost of \$150 per square foot has been used. Some parts of the building may cost less than this, others, such as the 300 seat theater space which requires a raised roof, will be more expensive.

Some spaces, such as scene shops, can be accommodated off-site in renovated or leased space, at much lower unit costs. A construction unit cost of \$50/sf has been assumed.



Court Street site - as existing

Based upon the Concept Design, the Construction Cost derived on a square foot basis is as follows:

New Construction: 59,000gsf @ \$325/sf = \$19,175,000
 Renovated Construction: 32,700sf @ \$150/sf = \$4,905,000
 Off-site Accommodation: 6,000sf @ \$50/sf = \$300,000
Total Construction Cost: \$24,380,000

Soft Costs such as property acquisition, architectural/ engineering/ legal/insurance fees, permitting, financing, movable furnishings, fixtures and equipment etc. are in addition to Construction Costs. The range could be 20-30% of the construction cost. A soft cost multiplier of 25% has been assumed to derive an overall Project or Capital Cost.

Given the many unknowns about the site and existing buildings, and the current early stage of program development and feasibility study, a cost fluctuation of 10% either way should be allowed.

Total Construction Cost	\$24,380,000
Project Cost Multiplier (to include soft costs)	125%
Total Project or Capital Cost	\$30,475,000 (+/- 10%)

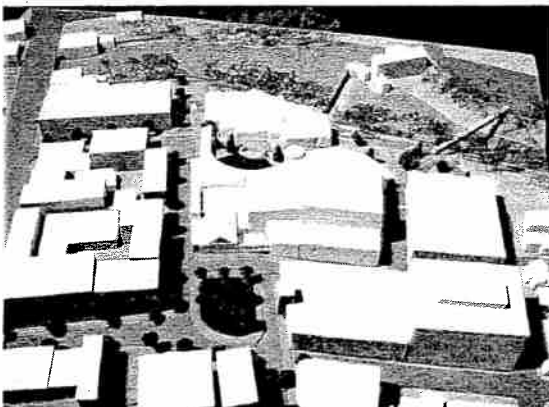
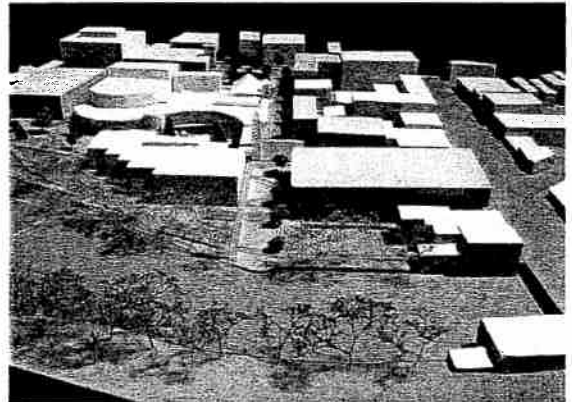
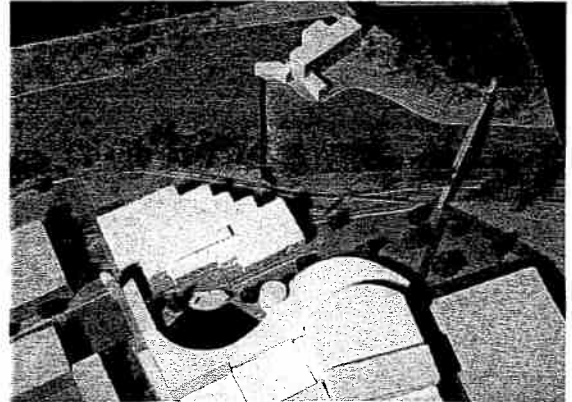
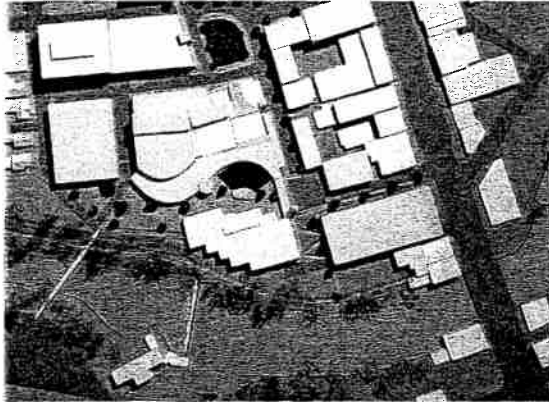


Court Street site - as proposed

Vicinity Plan

Using the proposed concept design, the vicinity model was developed further to show how the proposed new performing arts center could become the anchor for development of surrounding underutilized land parcels.

- Court Street
- Church Square
- Indian Head Parking Lot
- River and Margaritas

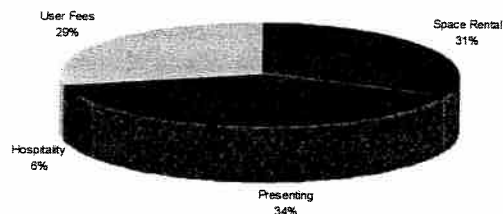


Operating expenses include presenting (the direct costs of bringing shows to the building), building services, theater operations, administration and the ticket office. The total annual operating expenses are \$1,270,000.

With operating revenues of \$760,000 and operating expenses of \$1.27M, the Center covers a reasonable 60% of operating costs with earned revenues, leaving an annual funding requirement of \$511,000. A combination of annual support from the City, an endowment, and some continuing fund-raising would be required, therefore, to sustain the proposed Center.

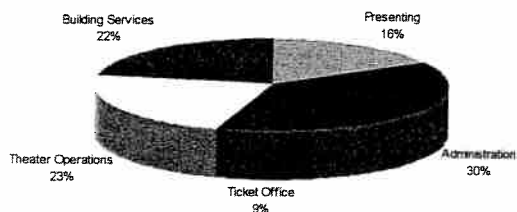
As discussed later, this projection of earned revenue over operating expense of about 60% is broadly consistent with comparable facilities.

OPERATING REVENUES

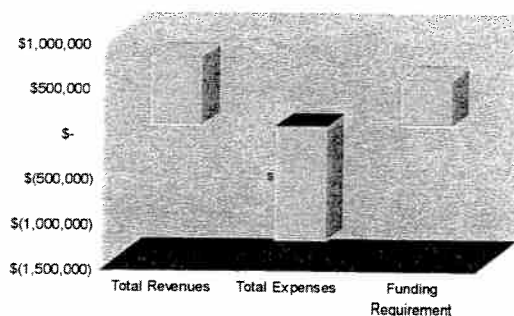


Space Rental	\$238,847
Presenting	\$262,275
Hospitality	\$42,430
User Fees	\$216,775
Total	\$760,327

OPERATING EXPENSES



Presenting	\$208,313
Administration	\$381,250
Ticket Office	\$108,971
Theater Operation	\$289,431
Building Services	\$283,300
Total	\$1,271,264



Public Private Partnership		
Total Funding Requirement		\$510,936
Part A - Annual City Investment of Funds and Services		
		\$200,000
Part B - Operating Endowment		
Endowment Target	\$3,000,000	
Pay-out Rate	5%	
Annual Income		\$150,000
Part C - Annual Fundraising		
Balance To Raise	\$160,936	
Cost/Dollar Raise	\$0.20	
Funding Required		\$202,000
Fundraising Costs	\$40,400	
Annual Fundraising	\$202,000	
Final Result		\$664

Operating Goals and Challenges

Busy atmosphere

The Center should be as busy as possible with a wide range of programs serving campus, local, regional and visiting audiences. Spaces should be as accessible and affordable as possible for local arts organizations, university groups and teaching programs, and other community groups. The Center should be seen as an opportunity to promote collaborations and partnerships within the community and also with the educational community.

Residency

The Nashua Symphony, North Ballet Theater and American Stage Festival should be residents of the new facility, earning reduced rent and the ability to secure dates in return for bringing a significant level of programming to the Center. Over time, certain other groups should have the ability to apply to become residents in the building. These applications should be reviewed by an advisory board for approval by the building operator. In order to qualify for resident status, groups should be non-profit, based in Nashua, and undertake to bring the bulk of their programming to the Center.

Costs and access

Rental rates should be scaled to encourage resident users, other non-profit groups, and the commercial users. Renters should have the ability to secure dates in the Center at least twelve months in advance, based on an explicit booking policy. One route towards ensuring community access to the Center would be to set up an arrangement to subsidize programming costs, for instance, by allocating a fund to partially sponsor local arts organizations' events. It is also critical that the Center encourages and supports regional presenters with flexible financial arrangements and promotional support.

Institutional Preparation

One of the keys to success for the project will be how local arts organizations prepare for the challenge and opportunity that new facilities represent. This might involve program development, audience development, staff development, and board development. The City should take a leadership role in helping organizations prepare for new facilities. The State Council of the Arts can advise on what technical assistance or capacity-building programs might be employed in Nashua.

Business Plan

Governance

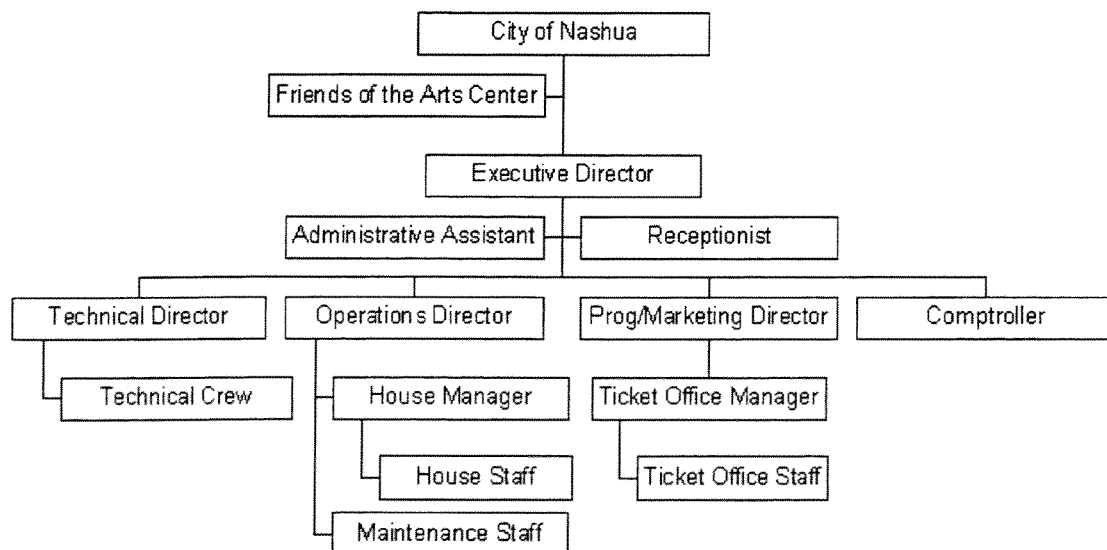
Several options for ownership and governance were considered for the redeveloped Court Street including the one of the arts organization such as the Symphony, a new non-profit, a commercial operator, the library, a college or school, or the city. For owner, the city is the best of these options as it has a record in facility development, brings financial credibility and resources to the project. The project as proposed, close to the library and river, has the potential to become a civic center for the city. For operation, the city is also the best option through a new, non-profit agency or commission.

Friend's Group

The private sector's role is critical in governance through a 'Friends Group'. Including local arts groups and funders, the Friends Group would take the leading role in the development and execution of a private sector giving campaign. The group would act as the private half of the client through planning and design, and be a continuing voice on operating issues including access and scheduling.

Staffing

The challenge of operating arts facilities is that they require highly specialized staff deeply committed to this work and skilled at working in a non-profit, volunteer environment. The critical hiring decision is the Executive Director. Though there might be good candidates in the community, we would encourage our client to conduct a broader search for the individual who will fit the job and the community. Also critical to the operation of the Center will be internships and volunteer efforts, supporting house and technical functions. Volunteer opportunities for regional citizens should be pursued and promoted aggressively.



Proforma Operating Budget

A pro-forma operating budget has been redeveloped for the proposed Center for a base year of operations, the 2nd year after the opening when operations have stabilized. The estimates have been constructed on the theory that activity (renting and presenting in the spaces) drives revenues and expenses. The use assumptions have been based on the results of the scheduling charrette as well as estimates of other uses, such as presenting, commercial rentals and other event. All estimates are in 2001 dollars.

Operating revenues include rental activity (both events and residents), box office proceeds from presenting, income from food, beverage and merchandise in the gift shop, and a surcharge to ticket buyers.

The total annual revenue projection is \$760,000.

For each of the program spaces the total number of performance and rehearsal days has been calculated. This leads to a total attendance of 135,000 in the base year of operations.

Activity and Attendance	Performances	Use Days	Attendance
Multi-purpose Hall	106	203	79,500
Community Theater	246	338	55,166
Total Attendance			134,666

Activity/Rent Growth	Current						Projected New Facilities		
	Average Daily Rental Rate	Total Annual Performances	Total Annual Paid Attendance	Average Ticket Price	Total Marketing Budget		Average Daily Rental Rate	Total Annual Performances	Total Annual Attendance
Group									
Nashua Symphony Orchestra	\$500.00	10	10,000	\$24	\$12,000		\$750.00	8	6,000
Nothorn Ballet Theater	\$650.00	25	9,000	\$20			\$750.00	12	9,000
Nashua Community Concerts	\$625.00	6	9,000	\$10	\$2,000		\$750.00	4	3,000
Actorsingers	\$600.00	4	6,500	\$15	\$5,000		\$750.00	9	6,750
Granite State Opera	\$467.00	5	3,000	\$25			\$750.00	6	6,000

	Increase			Rent to Revenues		
	Average Daily Rental Rate	Total Annual Performances	Total Annual Attendance	Total Projected Box Office	Total Projected Rent	
Group						
Nashua Symphony Orchestra	50%	-20%	-40%	\$ 144,000	\$ 16,125	11%
Nothorn Ballet Theater	15%	-52%	0%	\$ 180,000	\$ 14,250	8%
Nashua Community Concerts	20%	-33%	-67%	\$ 30,000	\$ 3,000	10%
Actorsingers	25%	125%	4%	\$ 101,250	\$ 14,250	14%
Granite State Opera	61%	20%	100%	\$ 150,000	\$ 13,875	9%

Fundraising Assessment

The concept design and business plan for the Performing Arts Center was the subject of ten interviews; eight with private individuals and two with corporate leaders. This is a small number, commensurate with the scope of this study and represents the very early phase of such a fundraising effort. These interviews were not intended to 'find the money' but rather to hear whether the concept had appeal and how the price tag - \$30 million capital cost, \$3m endowment – would be considered in Nashua. Recommendations on future strategy were sought.

Candor was evident throughout in responses to the proposal. One interviewee went so far as to say "it's pie in the sky" (referring to the dollar figure, not the project). However, 90% of those interviewed supported the concept, most strongly. 80% embraced the Court Street site. Two advocated Elm Street as a lower risk (lower capital cost). All cautioned that \$30 million is a challenge for Nashua, especially \$30 million for the arts.

For this project to move forward the following criteria emerged from the interviews:

- Leadership must be identified
- An anchor gift – or five or six one million dollar gifts – must be found
- Endowment is raised simultaneously
- Strong executive management and a business board oversee the operation of the center
- Tax payers do not bear the burden
- Parking and access are resolved

Several other specific recommendations about strategy were offered in the interviews including:

- Information sessions to key individuals, corporations, downtown business and community groups
- Present the conclusion and recommendations of this study to the state congressional delegation
- Research the area's high tech wealth base
- Approach the New Hampshire Charitable Foundation
- Develop the presenter component of the revenue mix
- Research the Manchester Civic Center funding model, including partnerships and naming opportunities
- Develop the organizational structure of the proposed new Center

Fund-raising Conclusions

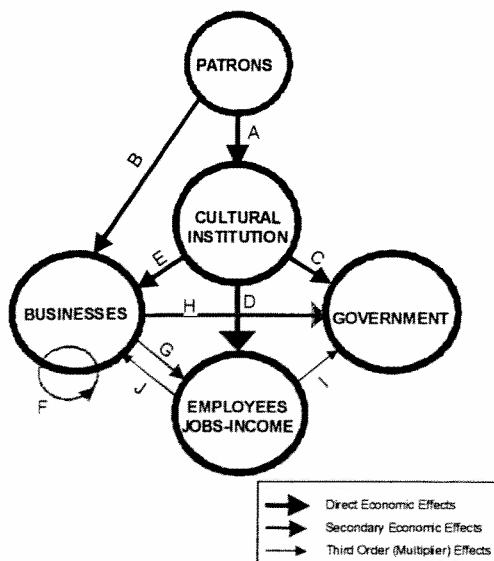
Estimates of the probability of success in raising \$30 million ranged from 0 – 80%. Those seasoned in fund-raising that we interviewed put a 50% to 70% probability on the project IF a substantial lead gift or syndicate of lead donors were identified. All believe involvement of local area corporations is critical.

ECONOMIC IMPACT

The new arts facility proposed for Court Street will provide direct employment and income producing activities for hundreds of residents and businesses in the region. In effect, it will be one of the region's important export-based industries – generating new income through the sales of products and services to businesses and consumers from outside the region. It will also contribute significantly to the economic competitiveness of the region by enhancing the vitality of downtown, stabilizing housing and commercial rents in its vicinity, increasing the ability of local employers to attract and retain highly-educated workers in the region, and providing a foundation for the region's creative economy.

Economic impact analysis reveals some of the arts facility's quantifiable impacts on spending, employment, and household income for residents and businesses in the region. The consulting team has summarized these impacts in the following points.

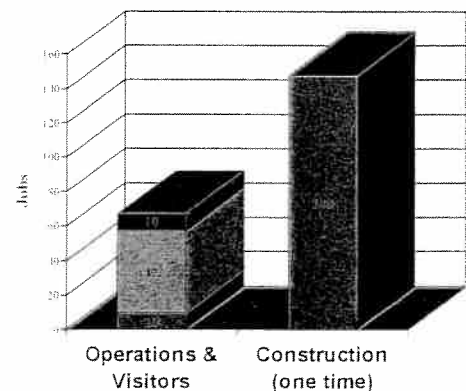
- The operations of the facility, coupled with spending by cultural visitors from out-of-town, will generate an annual impact of \$4 million of net new spending in the economy. More specifically, a projected 12,800 new out-of-town visitors to the facility will be spending \$1 million of their money (otherwise spent outside the local economy) on local restaurants and stores because of their visits to the facility. In addition, local caterers, art supply houses, and graphic design firms (a few examples of potential suppliers to the facility) will gain \$3 million of new business from the purchases necessary to operate the facility.
- Facility operations and visitor spending will generate 67 new jobs in the local economy. These jobs will be created through direct expenditures from the facility and visitors, as well indirect and induced expenditures from additional sales to suppliers of the facility. The facility will generate a \$1.7 million annual impact on household income for residents of Nashua and the region. This total includes direct payroll and benefits given to employees of the facility, as well as the payroll and benefits indirectly induced by the arts facility activities.



Economic Impact Analysis

Total Employment Impact

Operations and Visitors = 67
Construction = 148



Source: Analysis of Economic Impacts, RENAISSANCE, includes both direct, indirect, and induced effects.

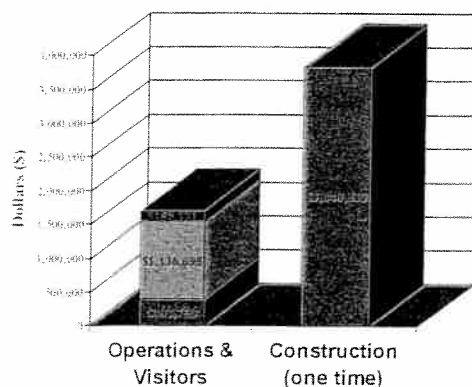
- The construction and renovation of the facility will also add significant one-time benefits to the Nashua economy. Construction related activities alone will generate a one-time impact of \$24.3 million of new spending in the local economy, 148 jobs, and \$3.8 million in household income.

Another significant impact of the arts facility will be its contribution to the overall economic competitiveness of the city and region. The arts facility will impact downtown vitality, housing and commercial rents, workforce issues, and the creative economy.

- The new arts facility will bring a projected 61,000 new visitors (of which 12,800 will be from out-of-town) to Nashua's downtown Main Streets. These visitors will spend more than \$600,000 annually on downtown merchants. The resulting activity will also continue the rebirth of downtown's role in the civic and economic life of the city and region.
- The investment in and prominence of a state-of-the-art facility in downtown will also contribute to the further stabilization of housing and commercial rents in the immediate area. It may also contribute to further stabilization or even positively impact tax revenue from downtown assessments.

Total Impact on Household Income in Nashua Region

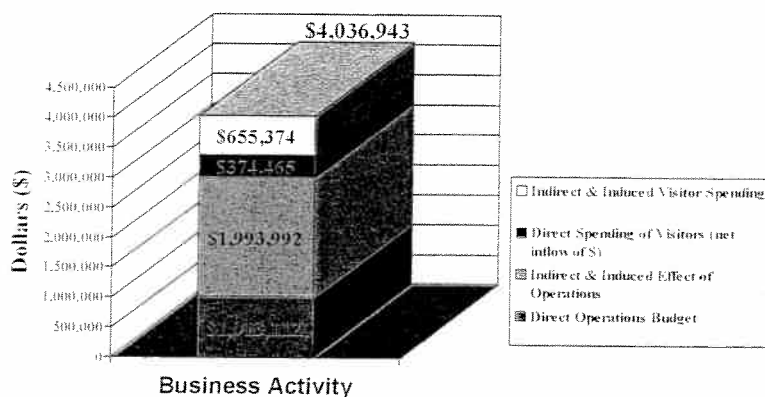
Operations and Visitors = \$1.7 million
Construction = \$3.8 million



Source: Bureau of Economic Analysis, REMIS II. Totals include direct, indirect, and induced effects.

- The arts facility will also add to the "quality of life" factors important to retaining and attracting highly-educated, skilled workers in the local economy. Even in an economic downturn, the strongest location consideration among employers in the high-tech community is the availability of appropriately skilled labor. Recent studies have shown that arts amenities are a critical component to retaining and attracting this workforce.
- The arts facility will also add to the "roots" of the region and state's "creative economy." The creative economy is defined as those enterprises (nonprofit and commercial) and self-employed individuals that produce cultural products. This part of the economy, according to a report by the New England Council, generates 17,900 jobs and \$164 million in payroll in the state – more than many of New Hampshire's leading industries. A new multi-use arts facility will be a key component of the creative economy's economic infrastructure. The arts facility will contribute intellectual capital, new markets, and skilled workers with creative minds to the region's economic infrastructure – all necessary to further growth of Greater Nashua's creative economy.

Total Visitors and Operations Impact in Nashua Region = \$4 million



Source: Bureau of Economic Analysis, REMIS II.

Comparable Projects

The table below summarizes the size, budget and earned income information for facilities similar to those proposed for Nashua in this feasibility study. Section 3.3 of the Appendix has more detailed descriptions of these, and other national and regional facilities, which are comparable to Nashua for slightly different reasons.

Project	City	Capacity	Op Budget	Earned Income	ER/OE	Owner	Operator
North Shore Center for the Performing Arts	Skokie, IL	848 and 342	\$ 1,000,000	\$ 500,000	50%	City	Mgmt Company
Irving Theatre	Irving, CA	712, 450 and 253	\$ 4,000,000	\$ 3,700,000	93%	City	City
McCallum Theatre	Palm Desert, CA	1,127	\$ 6,500,000	\$ 3,900,000	60%	Non-profit	Non-profit
Dean Leshner Regional Center for the Arts	Walnut Creek, CA	800, 300 and 130, plus gallery	\$ 1,100,000	\$ 880,000	80%	City	City
Capitol Center for the Arts	Concord, NH	1,307 and 325	\$ 1,400,000	\$ 1,000,000	71%	Non-profit	Non-profit
Palace Theater	Manchester, NH	860	\$ 1,200,000	\$ 800,000	67%	Non-profit	Non-profit

